



OFFICE OF
INSURANCE COMMISSIONER

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In the Matter of)

STANDARD LIFE AND ACCIDENT)
INSURANCE COMPANY)

ORDER NO. D07-311

CONSENT AND ORDER

LEVYING A FINE

Authorized Insurer

The Insurance Commissioner of the State of Washington, pursuant to the authority set forth in RCW 48.02.080 and RCW 48.02.185, and having reviewed the official records and files of the Office of the Insurance Commissioner ("OIC"), makes the following:

FINDINGS OF FACT

1. Standard Life and Accident Insurance Company ("Standard" or "The Company") is authorized to conduct life and disability insurance business in Washington State.
2. On June 6, 2007, Standard contacted the Washington Office of the Insurance Commissioner ("OIC") to self-report that it had found an omission in the filing of rates for some standardized Medicare policy forms. Some of the premiums for the Part B rider option were not listed on the current/proposed rate schedules.
3. The Company reported that it had omitted filing these rates since 1995. However, when its computer system had applied approved rate increases on the standardized Medicare plan, the increases had been applied to each policy regardless of benefit differences, which resulted in rate increase percentages being applied even to the omitted rates.
4. There were 88 affected customers in 1995 and this number has steadily declined to 19 in 2006 because this is a closed block of business. These unfilled rates were charged a total of approximately 444 times.

CONCLUSION OF LAW

By charging rates different than those filed with and approved by the Commissioner, the Company violated RCW 48.66.035(2) and RCW 48.19.010(2).

CONSENT TO ORDER

Standard Life and Accident Insurance Company, acknowledging its duty to comply fully with the applicable laws of the State of Washington, consents to the following in consideration of its desire to resolve this matter without further administrative or judicial proceedings. The Insurance Commissioner consents to settle the matter in consideration of the Company's payment of a fine and such terms and conditions as are set forth below.

1. Standard Life and Accident Company consents to the entry of this Order, waives any and all hearing rights, and further administrative or judicial challenges to this Consent Order.
2. By agreement of the parties, the Insurance Commissioner will impose a fine of \$5,000 (Five-Thousand Dollars), on the conditions that:
 - a. Within thirty days of the entry of this Order, Standard pays \$5,000.
 - b. Standard understands and agrees that any future failure to comply with the statutes and regulations that are the subject of this Order constitutes grounds for further penalties, which may be imposed in direct response to further violation.
3. Standard's failure to timely pay this fine and to adhere to the conditions shall constitute grounds for revocation of Standard's Certificate of Authority, and shall result in the recovery of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

EXECUTED this 17th day of October, 2007.

STANDARD LIFE AND ACCIDENT
INSURANCE COMPANY

By: 

Printed Name: Steven Schauweiler

Typed Corporate Title: Executive Vice President - COO

ORDER

Pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

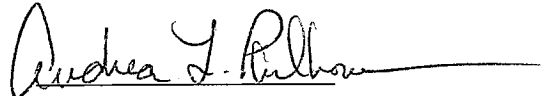
1. Standard Life and Accident Insurance Company shall pay a fine in the amount of \$5,000.

2. The Company's failure to pay the fine within the time limit set forth above shall result in the revocation of the Company's Certificate of Authority and in the recovery of both the suspended and unsuspended amounts of the fine through a civil action brought on behalf of the Insurance Commissioner by the Attorney General of the State of Washington.

ENTERED AT TUMWATER, WASHINGTON, this 5th day of November, 2007.

MIKE KREIDLER
Insurance Commissioner

By



Andrea L. Philhower
OIC Staff Attorney
Legal Affairs Division